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ABSTRACT

This document, which is intended for high school business teachers, outlines the plan for a course in which students gain hands-on experience in operating a bank in which students actually deposit money. The document begins with a brief course description, rationale, and list of 11 course objectives. Presented next is background information about the operation of school banks in Kentucky and the address of a person to contact for additional information. A suggested timeline and course outline are included. The topics covered in the course's six units are as follows: banking industry, training simulation, job application process, grand opening, year-end closing, and submission of work portfolio. The bibliography contains 10 references and addresses of 5 related websites. (MN)

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Banking & Financial Services

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Banking and Financial Services

Course Description: Banking and Financial Services is a class in which the students operate a bank for the school. Students serve as the Board of Directors for the bank, as well as banking personnel. This unit is designed to train students to perform all tasks required in the daily operation of a bank. After completing the simulated tasks of the bank, the students will then apply for the position they desire. The application process includes: letter of application, job application form, resume, skills test, and personal interview. Once the students have been assigned their positions, the students will operate the bank each day during banking class time. One day a week the bank should be closed to allow for board meetings.

Rationale: This course is designed to give students hands-on experience in operating a business, developing human relations skills, learning responsibility, and prioritizing work load. The bank is not just a simulation, students bring their money to the bank for deposit. The banking personnel are concerned with security, confidentiality, customer relations, and profit--these are certainly real-life concerns; these concerns are easily transferable to other occupations.

Course Objectives:

- Students will gain a working knowledge of banking terminology and practices.
- Students will develop/revise a banking mission statement and set goals for the business for the year.
- Students will set an opening date and design strategies for marketing the student bank.
- Students will recognize the importance of confidentiality in the banking business.
- Students will exhibit professional behavior while on the job.
- Students will recognize the importance of being dependable and responsible as a member of an employee team.
- Students will learn the appropriate procedures for handling delicate banking situations with customers either in person or via telephone.
- Students will help develop goodwill among the faculty, students, and staff at the high school.
- Students will go through an actual job interview for placement in the bank.
- Students will pass an employment test for their position with at least 90% accuracy.
- Students will learn the value of contributing to a team effort in successful operations of a small business.

Background Information:

School banks are becoming more popular in Kentucky each year. In 1996 there were approximately 60 school banks in operation. These banks came into existence through various means. We would like to focus on the method used for creating the two banks "Viking Independent" (Rowan High School) and "Wildcat Exchange" (Menifee High School).

The first step in both of these situations, is to gather information about the concept of school banks. We attended presentations at the Kentucky Business Education Conference and obtained a copy of the state-produced Financial Services I and II curriculum, which was designed in May 1995. This curriculum notebook contains sample forms, sample mission statements, a curriculum alignment chart and many other resources. You may contact Gary Colvin in Frankfort about receiving a copy of this notebook. We visit some of the schools which had banks in operation to observe their bank.

The next step is to find a bank to sponsor our business venture. A good way to do this is to send letters to all local banks explaining what a school bank is and why we want to add one to our course offerings. Once a bank responds to the request, begin working with one contact person from the bank, a guidance counselor, and your principal to set up the school bank.

In our case, the school provided a room, two teachers, a filing cabinet, and the copy supplies needed for the school bank. The sponsor bank agreed to give us a $1000 cash donation for beginning capital and $3000-$4000 in equipment, which included: two teller stations, two teller stools, two computers and one printer, three adding machines, two workstations, two cash drawers, one safe, several locking money bags, whatever we wanted from their storage warehouse, and on-going mentoring advice and support. They also gave us $200 cash to be used by the marketing committee to plan our grand opening and advertise throughout the school year. We then opened an interest-bearing checking account in the name of the school bank. This will assure that the money is insured by FDIC. The bank agreed to pay us 1% higher than their usual savings rate so that we could make money as we paid interest. The only money that is not protected by insurance is the funds kept on hand at the actual school bank site. We usually only have $150-$200 in our school bank safe.

The rooms we use are small, but in a perfect location. The bank is open during lunch, so it is imperative that we be near the lunch room to attract business. At Rowan County there are two small rooms in the back of the student center (where several students eat lunch daily) just off the lunch room. The room we use for the teller stations is approximately 6' x 6'. The other room houses our loan department and basic operations and measures 6' x 14'. There is no set size for a school bank; some schools that have much larger work areas than ours, but some use a rolling cart from which to operate. The size of your bank is dependent on the availability of rooms at your school.

Once the setup is in place, we begin to concentrate on selecting students for this class. We advertise the bank in our business classes and encourage students to sign up. After schedules are complete, the banking teachers check with the counselor to look over the list of potential banking students. A student with very poor attendance is not allowed to take the banking course. It is a good idea to limit the course to 12-18 students. Some of the schools we visited require students to interview for admission to the banking class, some required teacher references, we do not feel either of these techniques would work for our school.

When school starts we spend four to six weeks training the banking students. The training is outlined in the following pages. After the students gain exposure to the different areas of our bank, they spend one week on the job application process. The students apply for a job at the bank, experience a personal interview, and receive their assigned position. A person from the sponsoring bank and the banking teachers conduct the interviews. The remainder of the year the students operate the bank. One day a week we close the bank and hold board meetings; our contact person from the bank always attends these meetings and is a tremendous resource.

Every student in the bank is a member of the board and has a vote on loan approvals/denials and policies and procedures of the bank. Each member of the board has some type of weekly report to give which keeps us informed on the financial stability, savings, and loan status of our bank. Once a month our accountant submits a copy of our balance sheet and income statement to the Principal, the President of the sponsor bank, and its Board of Directors.

At the end of the year we allow students to keep their savings accounts open. They understand they will not have access to their accounts until the bank reopens in the fall. Several of the schools we visited require that all accounts be closed prior to the end of school. We felt, however, that in order to encourage extended savings habits it is necessary to allow students to keep their accounts open. We pay interest for the summer months. If a student moves to another school district, they simply send us a letter requesting we close their account. When the bank reopens, we close their account and mail them a check in the amount of their balance.

The "Viking Independent Bank" of Rowan County is experimenting with a new service for the school banks. They offer payroll deduction for the high school staff. The money is deducted from their paychecks and deposited into their school bank accounts. They receive interest on their accounts. This program has been a huge success and we plan to continue it in the future.

The Menifee County school "Wildcat Exchange" will be a K-12 bank; as this school is small enough to have all grades on one campus in connecting buildings. This bank will open in August 1997.

Contact Information

If you would like to discuss this simulation or need additional information please contact
Lisa Sorrell, Rowan High School at 606-784-8956 or at home, 606-784-8873.
Brenda Warren, Menifee High School at 606-768-2141 or at home, 606-768-3698.

Suggested Timelines

Calendar Design

		Traditional	Block
I.	Banking Industry	1 week	1/2 week
II.	Training Simulation	5 weeks	2 1/2 weeks
III.	Job Application Process	1 week	1 week
IV.	Grand Opening	1 week	1 week
V.	Year-End Closing	Begin 4 weeks prior to end of school year	
VI.	Submit Work Portfolio	2 weeks prior to end of class	

******The training simulation unit is an interactive training process. It is not designed to be used without daily teacher guidance.******

Course Outline:

The purpose of this unit is to give the student a working knowledge of banking terms and a little background in the history of banks. During this section students will begin to form their own ideas about the school bank and begin setting yearly goals . Business etiquette and public relations will be strongly emphasized.

I. BANKING INDUSTRY

- A. Introduction to Banking
  - 1. Money
  - 2. Banks
  - 3. Federal Reserve System
  - 4. School Bank
    - a. Design an appropriate Mission Statement
    - b. Set goals for the year
- B. Marketing
  - 1. Develop marketing strategies for meeting goals
  - 2. Set opening date
- C. Business Etiquette
  - 1. Confidentiality
  - 2. Professionalism on the job
  - 3. Attendance
- D. Public Relations
  - 1. Telephone Skills
    - a. Soliciting donations
    - b. Loan reference checks
    - c. Loan permission--parents
    - d. Collection calls to parents
  - 2. Customer Relations
    - a. Collection procedures
    - b. Intraoffice relations

The purpose of this unit is to expose the students to all the jobs available at the school bank and their procedures and responsibilities. After completing this unit the student should have a good idea of the position for which they will apply.

II. TRAINING SIMULATION

- A. Overview of Simulation
  - 1. Purpose
  - 2. Job titles in bank
- B. Policies and Procedures
- C. Simulation Activities
  - 1. Guided practice
  - 2. Independent practice
  - 3. Exit test

The purpose of this unit is to allow the student to actually experience a personal job interview. The student will be required to complete a work portfolio to take to their interview which will demonstrate their competencies for the position they desire. During this unit students will also take several skills tests which will help in deciding who will be most qualified for each position.

III. JOB APPLICATION PROCESS

- A. General Job-Seeking Strategies
  1. Distribute handouts
  2. Examine various job applications and resumes
  3. Open-response activity
- B. Develop Student Application Portfolio
  1. Job application for banking position
  2. Letter of application
  3. Personal resume
  4. Letters of recommendation
  5. Employment test
  6. Sample of student work
- C. Job Interview
- D. Receive Job Assignment

During this unit the actual opening of the bank occurs. Our sponsor bank allocates $200 to us each year to use for marketing and the greater part of this money is spent on the grand opening events. Each year the students decide what they would like to do as a grand opening to promote interest in the bank.

IV. GRAND OPENING OF STUDENT BANK

- A. Announce Opening Date Four Weeks in Advance
  1. Announce in school paper
  2. Post signs throughout school
  3. Contact local businesses for prize donations and an invitation
  4. Invite parents of banking students
  5. Have banking students announce at school via intercom
  6. Review school bank policies and make revisions
- B. Promote Bank Through Advertising
  1. Place an ad in the local paper
  2. Invite newspaper to come to do a write-up with pictures
  3. Run ads on the local radio station
  4. Place attention-getting posters in strategic spots in the school
- C. Pay Interest to Current Customers
  1. Calculate interest earned during summer and post to customer savings cards
  2. Send account balance notes to current customers
- D. Begin Daily Banking Operations

During this unit the bank closing processes will begin. The bank must remind their customers that they will not have access to their accounts after the bank closes for the year. They will gain access after the bank opens the following school year. We will stop accepting regular loans and focus on collections of all outstanding loans. We will set a final date for lunch loans and savings transactions and begin sending our closing balance verification notices, organizing the files, closing Senior accounts, and end -of- year cleaning and filing.

V. YEAR-END CLOSING OF STUDENT BANK

A. Announce Closing Date Four Weeks in Advance
   1. Place announcement in bank window
   2. Read announcement via school intercom
   3. Put up signs throughout school building
   4. Run an ad in the local paper
B. Close all Senior Accounts
   1. Announce for seniors to come into the bank
   2. For seniors who ignore the announcement--close their accounts and deliver their money
C. Quit Accepting Loan Applications
D. Concentrate on Collecting Defaulted Loans
E. Issue Closing Balance Statement of Account
F. Balance Account, Generate Reports, and Store Records

This will be the final banking unit. During the last 2 weeks of class students will be required to submit their work portfolios. This portfolio was started the first day of class. It contains samples of their work, their employee evaluations, policies and procedures manual, and other items collected throughout the year. The students are responsible for the organization of the portfolio and it is graded on creativity and format as well as content. Once the portfolio is scored, it will be returned to the student. If the student is taking the banking course for a second credit they will continue to add information to their portfolio.

VI. SUBMIT WORK PORTFOLIO FOR GRADE

A. Employee Evaluations
   1. Students will be evaluated regularly by the supervising teachers
   2. Self-evaluations should be administered occasionally
B. Write-up of ideas submitted for improvement of the bank
   1. Students may present ideas for promoting the bank
   2. Students may present ideas for improving banking procedures
C. Information received throughout year
   1. Banking Procedures
   2. Board policies
   3. Articles related to banking
   4. Minutes of board meetings
   5. Financial statements of the bank
   6. Handouts given throughout year

REFERENCES AND RESOURCES

BancTraining Video System offers various publications and videos. Write to them at: P. O. Box 10390, Des Moines, Iowa 50306.

Banking Is. National Learning Productions, Inc.; 506 Sixth Avenue; P. O. Box 246; St. Albans, WV 25177-0246.

Bilbro, Donna et al. *Financial Services I and II.* Developed by and for Kentucky School Banks.

Brown, Betty J. and John E. Clow. "Financial Institutions in the Global Economy," *Introduction to Business: Our Business and Economic World*; McGraw-Hill, 1992; Unit 6, p. 310.

Financial Services, 2nd Edition. Glencoe/McGraw Hill, Brookside Park; One Harbison Way, Suite 101; Columbia, SC 29212. 1-800-732-2365.

The Federal Reserve. Instructional materials produced by the National Council on Economic Education and the Federal Reserve System. Write to: Federal Reserve Bank of Kansas City, Public Affairs Department, 925 Grand Blvd., Kansas City, MO 64198-0001.

The Job Hunting Handbook: JobOutlook to 2005. Dahlstrom & Company, 1995.

Reynolds, Sharon and Marianna McDonald. *Take It ToThe Bank*; Lexington Herald Newspaper In Education. 1995 Knight-Ridder Productions.

Shaw, Ami. *Careers Piecing Together Your Future*; Lexington Herald Newspaper In Education. 1996 Knight-Ridder Productions.

Tyler, Tanya. *Working It Out: How to get the job you want*; Lexington Herald Newspaper In Education. 1995 Knight-Ridder Productions. 1-800-999-8881.

Related Web Sites

Federal Reserve Bank of New York: http://www.ny.frb.org/welcome.html

Personal Finance Tips: http://www.8o.com/tips

The Electronic Lesson Planner: http://www.bell-atl.com/wschool/html/lesson/lesson.htm

Ask an Expert: http://www.askanexpert.com/askanexpert/

Making Sense Online: http://www.makingsense.com